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PATENTS, TRADEMARKS AND COPYRIGHTS

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April 30, 1997

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**\*\*VIA QMS COURIER\*\***

Re: Patentability Search  
For: APPARATUS AND METHOD FOR  
DEBIT-BASED PAYMENT PROCESSING  
Your Ref: 06556.0003-00000  
Our Ref : 97-0403

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Dear Lionel:

Pursuant to your facsimile letter of April 11, 1997, we have conducted a patentability search directed to the subject-matter described in your disclosure material.

Redacted

April 30, 1997

The following references (a single copy of each enclosed) were discovered as a result of our search:

4,823,264	Deming
5,231,569	Myatt et al.
5,265,007	Barnhard, Jr. et al.
5,369,699	Page et al.

The patent to Deming illustrates an electronic funds transfer system in which both the debit side and credit side of a transaction are sent to a payor's financial institution. The release of funds to a payee is accomplished by the sending of a credit by an automatic clearing house record to the payee's financial institution.

The patent to Barnhard, Jr. et al. discusses a sensual check clearing system in which various financial institutions can settle debit and credit balances with respect to other institutions on a periodic basis.

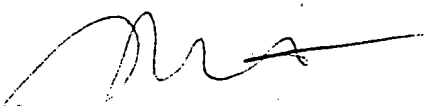
The patents to Myatt et al. and Page et al. relate to various account transaction systems and were included as being of general interest.

Our search was conducted in both the foreign and domestic art in the following art categories:

Class 235, subclass 379  
Class 395, subclasses 235 and 239  
Class 902, subclasses 37, 40 and 41

Our Debit Memorandum No. 0938 is enclosed along with your disclosure material. If we can be of further assistance in this or any other matter, please do not hesitate to contact us at once.

Kindest regards,



Mitchell B. Wasson

MBW:eb

Enclosure